

November 12, 2008

Mr. James Stewart, Chief
Monitoring and Audits Branch
OES
1130 K Street, LL60
Sacramento, CA 95814

Dear Mr. Stewart:

Enclosed please find one copy of the Financial Statements and Single Audit Report for Training Employment and Community Help, Inc. (T.E.A.C.H., Inc.) for the fiscal year ended June 30, 2008, as well as one copy of the Management Letter.

Should you have any questions or concerns, please do not hesitate to contact us. We appreciate the opportunity to provide our services to you.

Very truly yours,

R.J. Ricciardi, Inc.

R.J. Ricciardi, Inc.
Certified Public Accountants

RJR:ls
Enclosures

cc: Ms. Carol Callaghan, Executive Director
T.E.A.C.H., Inc.

TRAINING EMPLOYMENT AND COMMUNITY HELP, INC.
(TEACH)

ALTURAS, CALIFORNIA

FINANCIAL STATEMENTS
AND
SINGLE AUDIT REPORT

JUNE 30, 2008

DATE RECEIVED:



AUDIT REVIEW #(s) 04310

Assigned To: Armstrong

Date Reviewed: 10/23/08

Reviewer's Initials: RS

Date Review(s) Completed: 10/23/08

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Activities	Exhibit A 3
Statements of Cash Flows	Exhibit B 4
Notes to Financial Statements	5-10
Supplemental Information:	
Schedule of Activities	Schedules 1-7 11-17
Child Development Programs - General Information	Schedule 8 18
Schedule of Expenses by State Categories	Schedule 9 19
Schedule of Administrative Costs	Schedule 10 20
California Department of Education Fiscal Reports	Schedules 11-19 21-29
Schedule of Renovation and Repair Expenses Utilizing Contract Funds	Schedule 20 30
Schedule of Capital Outlay and Equipment Expenses Utilizing Contract Funds	Schedule 21 31
Dept of CSD Schedule of Revenue and Expenses	Schedule 22-23 32-33
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	34-35
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	36-37
Schedule of Expenditures of Federal Awards	38-39
Notes to the Schedule of Expenditures of Federal Awards	40
Schedule of Findings and Questioned Costs	41
Status of Prior Year Findings and Recommendations	42

INDEPENDENT AUDITORS' REPORT

Board of Directors
Training Employment and
Community Help, Inc.
Alturas, California

We have audited the accompanying statement of financial position of Training Employment and Community Help, Inc. as of June 30, 2008, and the related statement of activities and statement of cash flows for the year then ended. These financial statements are the responsibility of Training Employment and Community Help, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior-year summarized comparative information has been derived from Training Employment and Community Help, Inc.'s 2007 financial statements and, in our report dated November 26, 2007, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Training Employment and Community Help, Inc. as of June 30, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2008 on our consideration of Training Employment and Community Help, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements of Training Employment and Community Help, Inc. taken as a whole. The supplementary data in schedules 1 through 24 is presented for the purpose of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.



R.J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
November 10, 2008

Training Employment and Community Help, Inc.
STATEMENTS OF FINANCIAL POSITION
 June 30, 2008
 (With Comparative Totals for June 30, 2007)

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 356,613	\$ 51,799
Grants/contracts receivable	<u>640,764</u>	<u>838,293</u>
Total current assets	<u>997,377</u>	<u>890,092</u>
 Fixed assets, net of accumulated depreciation	 <u>68,731</u>	 <u>83,149</u>
 Total assets	 <u>\$ 1,066,108</u>	 <u>\$ 973,241</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 209,498	\$ 180,894
Accrued vacation	38,469	46,949
Refundable advances	321,972	214,680
Notes payable, current portion	<u>21,253</u>	<u>19,239</u>
Total current liabilities	<u>591,192</u>	<u>461,762</u>
 Notes payable, net of current portion	 <u>7,389</u>	 <u>28,642</u>
Total liabilities	<u>598,581</u>	<u>490,404</u>
 Net assets - Exhibit A:		
Unrestricted	<u>467,527</u>	<u>482,837</u>
Total net assets	<u>467,527</u>	<u>482,837</u>
 Total liabilities and net assets	 <u>\$ 1,066,108</u>	 <u>\$ 973,241</u>

The accompanying notes are an integral part of these financial statements.

Training Employment and Community Help, Inc.
STATEMENTS OF ACTIVITIES
For the Year Ended June 30, 2008
(With Comparative Totals for the Year Ended June 30, 2007)

Exhibit A

	<u>2008</u>	<u>2007</u>
Revenues:		
Grants/contracts	\$ 3,723,950	\$ 3,815,296
Other	<u>60,355</u>	<u>43,323</u>
Total revenues	<u>3,784,305</u>	<u>3,858,619</u>
Expenses:		
Administration services	372,853	307,617
Program services	<u>3,426,762</u>	<u>3,510,192</u>
Total expenses	<u>3,799,615</u>	<u>3,817,809</u>
Change in net assets	(15,310)	40,810
Net assets, beginning of period	<u>482,837</u>	<u>442,027</u>
Net assets, end of period	<u>\$ 467,527</u>	<u>\$ 482,837</u>

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the Year Ended June 30, 2008

(With Comparative Totals for the Year Ended June 30, 2007)

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Change in net assets	\$ (15,310)	\$ 40,810
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	14,418	14,418
Changes in certain assets and liabilities:		
Grants/contracts receivable	197,529	(117,987)
Accounts payable	28,604	88,003
Accrued vacation	(8,480)	9,565
Refundable advances	107,292	72,323
Net cash provided (used) by operating activities	<u>324,053</u>	<u>107,132</u>
Cash flows from financing activities:		
Payments on notes payable	<u>(19,239)</u>	<u>(18,789)</u>
Net cash provided (used) by financing activities	<u>(19,239)</u>	<u>(18,789)</u>
Net increase (decrease) in cash during the year	304,814	88,343
Cash balance, beginning of period	<u>51,799</u>	<u>(36,544)</u>
Cash balance, end of period	<u>\$ 356,613</u>	<u>\$ 51,799</u>
Supplemental disclosures of cash flow information:		
Interest paid	<u>\$ 5,372</u>	<u>\$ 4,372</u>

The accompanying notes are an integral part of these financial statements.

Training Employment and Community Help, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - GENERAL

A. Organization

Training Employment and Community Help, Inc. (TEACH), organized in 1983 as a non-profit agency in Alturas, California, is a multi-purpose organization that participates in and administers programs funded by Federal, State, County and private funders. TEACH provides services to the entire population of Modoc County, not just low-income residents. Many of the programs are subcontracted to TEACH from other agencies. Programs are operated out of the TEACH main office, Modoc Family Resource Center, Family Development Center and Tulelake Newell Family Center.

B. Program Services

Family Centers - The family centers are an interagency project designed for parent support and education for families with children. The family centers bring parents together for training, information and referral to services of other agencies. The programs operated help families and children to be healthy and successful.

Even Start and Migrant Even Start - A Family Literacy Program that includes Adult Education, Early Childhood Education, Parent Learning Groups, and parent and child fun time. Migrant Even Start provides services to families of Migrant Farm Workers.

Early Head Start - Early Head Start is a child development program for children, birth to age three, with a focus on family involvement, support and education for pregnant women and their partners. Families receive weekly home visits by trained family support workers, experiences to stimulate and enhance development, playgroups, health and development assessments and health screenings.

Modoc Crisis Center - The Crisis Center offers services to victims of sexual assault and domestic violence. Services include advocacy, accompaniment, peer and children's counseling and temporary restraining orders. A 24-hour crisis hot line and shelter are also available.

Emergency Services - Temporary shelter is provided to individuals who are homeless and/or stranded. Shelter is provided through vouchers at local motels. Gas vouchers or bus tickets are provided for individuals stranded in Modoc County. TEACH provides food to local families who are in crisis situations. Energy assistance is provided for electrical, propane and wood heating bills.

Modoc Child Care Resource & Referral - Subsidized childcare is provided with eligibility based on family size and income. Childcare provider recruitment, orientation, and training are also provided. The toy lending library offers parenting books, games, baby equipment and much more.

Court Appointed Special Advocates (CASA) - CASA are volunteers who are trained and appointed by the court to advocate for children who come into the court system as a result of alleged abuse or neglect.

Training Employment and Community Help, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 1 - GENERAL (concluded)

C. Administration Services

Administration services represent management and general expenses, indirect costs, and the administrative costs portion of program services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The financial statements and records of TEACH are prepared on the accrual basis of accounting and, therefore, include all support and revenues when earned and all expenses when incurred, regardless of whether the support and revenues or expenses were received or paid as of the end of a period. Grants are recognized as support when earned in accordance with the terms of each grant or agreement.

B. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, TEACH is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

C. Unrestricted Net Assets

Unrestricted net assets generally result from revenues obtained by providing services, receiving unrestricted contributions, and receiving interest and dividends from income-producing assets. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of TEACH and the purposes specified in its Articles of Incorporation or Bylaws and limits resulting from contractual agreements entered into by TEACH in the course of its operations.

D. Cash and Cash Equivalents

For purposes of reporting the statement of cash flows, cash and cash equivalents include cash on deposit with financial institutions and highly liquid investments.

E. Grants/Contracts Receivable

TEACH has not accrued a loss for allowances for uncollectible receivables since it is the opinion of management that it is highly probable that all receivables will be collected.

Training Employment and Community Help, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Fixed Assets

Assets acquired through restricted grant resources are considered to be owned by the grantor while such assets are in use under the funded program, or while they are being used for a similar program. Any disposition of restricted assets or any funds derived therefrom are subject to grant regulations.

The aggregate cost of assets over \$5,000 acquired with unrestricted grant resources are capitalized in the statement of financial position. Fixed assets are stated at cost and depreciation is computed on the straight-line basis of accounting over the estimated useful lives of the assets.

G. Functional Expenses and Indirect Costs

Directly identifiable expenses are charged to program services. Expenses related to more than one function are charged to program services on the basis of periodic time and expense studies. Administration services include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of TEACH.

Indirect costs represent administrative costs recorded in the general administration fund which are allocable to the restricted programs as indirect administrative costs.

H. Use of Estimates

The financial statements have been prepared in conformity with U.S. generally accepted accounting principles and, as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those estimates.

I. Risk Management

TEACH is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which TEACH carries commercial insurance.

J. Contingencies

TEACH participates in federal grants, the principal of which is the U.S. Department of Health & Human Services. Disbursement of funds received under this grantor agency require compliance with terms and conditions specified in the grant agreement and is subject to audit by the grantor agency. Any disallowed costs resulting from such an audit could become a liability of the general fund or other applicable funds.

K. Concentrations

TEACH receives a substantial amount of revenue for its programs funded by the U.S. Department of Health & Human Services. During the years ended June 30, 2008 and June 30, 2007, TEACH received \$1,397,891 and \$1,561,216, respectively. This amounts to 37% and 38% of total revenue for those years, respectively.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

L. Donated Services

Donated services are recognized as contributions in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by TEACH. Volunteers also provided services throughout the year with an estimated value of \$64,960 and \$63,244 for the years ended June 30, 2008 and June 30, 2007, respectively, that are not recognized as contributions in the financial statements since the recognition criteria under SFAS No. 116 were not met.

NOTE 3 - INCOME TAXES

TEACH is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. TEACH is also exempt from California franchise taxes under Section 23701(d) of the Revenue and Taxation Code and, therefore, has made no provision for Federal or California income taxes. In addition, TEACH has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Code.

NOTE 4 - CASH AND CASH EQUIVALENTS

The total cash deposited with the County of Modoc as of June 30, 2008 and June 30, 2007 was \$356,613 and \$51,799, respectively. The balance available for withdrawal is based on the accounting records maintained by the County of Modoc. The Treasurer of the County of Modoc is responsible for maintaining the cash investment pool. The pool's cash and investments are invested pursuant to investment policy guidelines established by the Modoc County Treasurer.

TEACH's investments are carried at fair value instead of cost, as required by U.S. generally accepted accounting principles. TEACH adjusts the carrying value of its investments, if material, to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year. At June 30, 2008 and June 30, 2007 the differences between book value and fair value were immaterial and not reflected in the value of TEACH's investments.

The cash balances were uninsured and held by the County of Modoc in TEACH's name. It is the opinion of management that the solvency of the investment pool is not of particular concern at this time.

Training Employment and Community Help, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 5 - FIXED ASSETS

Fixed assets as of June 30, 2008 and June 30, 2007 are as follows:

	<u>Years</u>	<u>Balance</u> <u>June 30, 2008</u>	<u>Balance</u> <u>June 30, 2007</u>
Land	N/A	\$ 24,820	\$ 24,820
Buildings	25	201,422	201,422
Vehicles	5	115,105	115,105
Equipment	3	<u>31,866</u>	<u>31,866</u>
Total		373,213	373,213
Less accumulated depreciation		<u>(304,482)</u>	<u>(290,064)</u>
Fixed assets, net		<u>\$ 68,731</u>	<u>\$ 83,149</u>

Depreciation expense was \$14,418 and \$14,418 for the years ended June 30, 2008 and June 30, 2007, respectively.

In addition to the above fixed assets, TEACH holds title to the Tullake Community Center (the Center) building in Tullake, California, which was constructed during the fiscal year ended June 30, 2003. The building has not been capitalized in TEACH's financial statements because the building sits on land owned by the Tullake Basin Joint Unified School District and is leased for \$1 a year. A portion of the cost for the Center was financed by the School District and the agreement between the School District and TEACH states that the title to the Center reverts to the School District after 22 years. Furthermore, TEACH does not, and will not, have control over the building. TEACH's participation in the construction of the building was done in order to expedite the process for the school, community, and funders. In addition, the building must be operated as a community center for 20 years as part of the grant agreement or the grant funds of \$1,867,024 must be returned to the State of California Department of Youth Authority.

NOTE 6 - ACCRUED VACATION

Accumulated unpaid employee vacation benefits are recognized as liabilities of TEACH. The amount of accumulated vacation was \$38,469 and \$46,949 as of June 30, 2008 and June 30, 2007, respectively.

NOTE 7 - NOTES PAYABLE

In September 1989, TEACH purchased a building and land located on 112 East Second Street, Alturas, California, which serves as the main office for TEACH. To finance the purchase, TEACH obtained a note payable in the amount of \$200,000 with Groth Enterprises, which is secured by a deed of trust of real property. The note is payable in monthly installments of \$1,930 at an interest rate of 10% through September 2009. Contingent payments for the note payable are as follows:

<u>Fiscal Years Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 21,253	\$ 1,908
2010	<u>7,389</u>	<u>138</u>
Total	<u>\$ 28,642</u>	<u>\$ 2,046</u>

Training Employment and Community Help, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

NOTE 8 - PENSION PLAN

Eligible employees may participate in TEACH's 401(k) retirement plan, which is funded through VALIC. TEACH contributes at a rate of 3% of eligible employees' salaries, not to exceed the legal maximum contribution. The amount of pension plan expense was \$38,507 and \$33,271 for the years ended June 30, 2008 and June 30, 2007, respectively.

Training Employment and Community Help, Inc.

SCHEDULE OF ACTIVITIES

For the Year Ended June 30, 2008

	Total Schedule 2	Total Schedule 3	Total Schedule 4	Total Schedule 5	Total Schedule 6	Total Schedule 7	Total
Revenues:							
Grants/contracts	\$ 1,321,035	\$ 720,373	\$ 458,788	\$ 657,002	\$ 357,680	\$ 209,076	\$ 3,723,954
Other	23,539	22,431	7,239	7,146	-	-	60,355
Total revenues	1,344,574	742,804	466,027	664,148	357,680	209,076	3,784,309
Expenses:							
Salaries	788,676	126,947	256,768	278,160	225,199	76,361	1,752,111
Payroll taxes and fringe benefits	191,788	39,239	43,853	70,340	52,739	19,748	417,707
Instructional materials	58,224	35,967	72,363	42,702	4,262	8,152	221,670
Food	13,316	-	4,943	12,250	13,805	-	44,314
Travel and conference	62,886	13,104	22,445	14,279	2,078	100	114,892
Liability insurance	32,127	-	-	-	-	-	32,127
Utilities	23,289	304	229	10,768	17,065	105,164	156,819
Rent/lease/repairs	9,932	3,930	1,584	14,952	135	-	30,533
Professional/consultants	58,827	13,159	7,331	12,582	4,412	-	96,311
Contract/personal service	203,414	458,821	5,420	136,847	396	-	804,898
Communications	21,168	1,423	333	6,619	1,430	606	31,579
Other	95,055	-	-	1,599	-	-	96,654
Indirect costs	(191,717)	53,991	34,962	57,430	34,251	11,083	-
Total expenses	1,366,985	746,885	450,231	658,528	355,772	221,214	3,799,615
Change in net assets	(22,411)	(4,081)	15,796	5,620	1,908	(12,138)	(15,306)
Net assets, beginning of period	482,837	-	-	-	-	-	482,837
Net assets, end of period	\$ 460,426	\$ (4,081)	\$ 15,796	\$ 5,620	\$ 1,908	\$ (12,138)	\$ 467,531

Training Employment and Community Help, Inc.

SCHEDULE OF ACTIVITIES

For the Year Ended June 30, 2008

	General Fund	Mental Health Services Act	Depend- ency Drug Treatment Court	Migrant Even Start	05-45628 Rape Prevention Education	CLPC-7024 Local Planning Council	Early Head Start	CFCC-7017 Family Child Care Homes	CRET-5022 Increasing Capacity	Total
Revenues:										
Grants/contracts	\$ 51,048	\$ 59,566	\$ 19,608	\$ 94,441	\$ 20,465	\$ 106,196	\$ 757,382	\$ 198,788	\$ 13,541	\$ 1,321,035
Other	10,054	-	-	-	-	-	525	12,960	-	23,539
Total revenues	61,102	59,566	19,608	94,441	20,465	106,196	757,907	211,748	13,541	1,344,574
Expenses:										
Salaries	104,260	23,902	15,470	59,987	11,851	49,126	498,275	25,805	-	788,676
Payroll taxes and fringe benefits	13,654	5,146	2,591	15,732	3,217	9,471	134,685	7,292	-	191,788
Instructional materials	18,494	10,038	-	469	2,313	501	20,748	5,661	-	58,224
Food	3,467	422	-	1,142	-	-	8,285	-	-	13,316
Travel and conference	12,038	3,540	-	2,803	625	200	42,105	1,575	-	62,886
Liability insurance	32,127	-	-	-	-	-	-	-	-	32,127
Utilities	22,011	-	-	-	-	-	1,278	-	-	23,289
Rent/lease/repairs	6,996	200	-	1,044	-	167	990	535	-	9,932
Professional/consultants	35,870	8,406	-	185	20	2,014	12,332	-	-	58,827
Contract/personal service	13,509	-	-	-	1,200	21,000	-	155,195	12,510	203,414
Communications	15,987	2,885	-	1,382	-	50	864	-	-	21,168
Other	94,440	615	-	-	-	-	-	-	-	95,055
Indirect costs	(273,275)	4,412	1,547	11,697	1,239	6,602	38,345	15,685	2,031	(191,717)
Total expenses	99,578	59,566	19,608	94,441	20,465	89,131	757,907	211,748	14,541	1,366,985
Change in net assets	(38,476)	-	-	-	-	17,065	-	-	(1,000)	(22,411)
Net assets, beginning of period	482,837	-	-	-	-	-	-	-	-	482,837
Net assets, end of period	\$ 444,361	\$ -	\$ -	\$ -	\$ -	\$ 17,065	\$ -	\$ -	\$ (1,000)	\$ 460,426

Training Employment and Community Help, Inc.

SCHEDULE OF ACTIVITIES

For the Year Ended June 30, 2008

	CIMS-7334 Instructional Materials	CRRP-7039 Resource & Referral	CHST-7038 CCDF Health & Safety	CCEL-7025 Centralized Eligibility List	GECT-7038 Exempt Care Outreach & Training	CAPP-7044 Alternative Payment	C2AP-7040 Alternative Payment Stage 2	C3AP-7040 Alternative Payment Stage 3	CCIP-7038 Child Care Initiative Project	Total
Revenues:										
Grants/contracts	\$ 595	\$ 165,594	\$ 440	\$ 4,837	\$ 25,829	\$ 393,513	\$ 106,113	\$ 2,847	\$ 20,605	\$ 720,373
Other	-	42	681	-	-	20,338	934	436	-	22,431
Total revenues	595	165,636	1,121	4,837	25,829	413,851	107,047	3,283	20,605	742,804
Expenses:										
Salaries	-	82,041	-	-	16,310	15,635	3,102	-	9,859	126,947
Payroll taxes and fringe benefits	-	23,442	-	-	4,509	7,015	1,530	-	2,743	39,239
Instructional materials	-	28,862	97	-	1,910	-	-	-	5,098	35,967
Food	-	-	-	-	-	-	-	-	-	-
Travel and conference	-	6,284	-	214	1,125	4,442	-	-	1,039	13,104
Liability insurance	-	-	-	-	-	-	-	-	-	-
Utilities	-	304	-	-	-	-	-	-	-	304
Rent/lease/repairs	-	3,395	-	-	-	535	-	-	-	3,930
Professional/consultants	-	7,153	519	4,265	690	192	-	-	340	13,159
Contract/personal service	-	1,816	402	-	-	359,077	94,486	3,040	-	458,821
Communications	-	1,403	20	-	-	-	-	-	-	1,423
Other	-	-	-	-	-	-	-	-	-	-
Indirect costs	-	10,936	83	358	1,964	30,952	7,929	243	1,526	53,991
Total expenses	-	165,636	1,121	4,837	26,508	417,848	107,047	3,283	20,605	746,885
Change in net assets	595	-	-	-	(679)	(3,997)	-	-	-	(4,081)
Net assets, beginning of period	-	-	-	-	-	-	-	-	-	-
Net assets, end of period	\$ 595	\$ -	\$ -	\$ -	\$ (679)	\$ (3,997)	\$ -	\$ -	\$ -	\$ (4,081)

Training Employment and Community Help, Inc.
SCHEDULE OF ACTIVITIES
For the Year Ended June 30, 2008

	Primary Intervention Program	Foster Youth Services	Paid Work Experience	Tulalake Honker	Strengthening Families	Indepen- dent Living Skills	21st Century	JAP	Child Protective Services	Total
Revenues:										
Grants/contracts	\$ 19,541	\$ 26,011	\$ 4,845	\$ 15,121	\$ 4,680	\$ 30,556	\$ 344,960	\$ 6,385	\$ 6,689	\$ 458,788
Other	-	-	-	-	-	-	7,239	-	-	7,239
Total revenues	19,541	26,011	4,845	15,121	4,680	30,556	352,199	6,385	6,689	466,027
Expenses:										
Salaries	8,850	7,046	3,680	7,578	-	19,173	202,169	2,310	5,962	256,768
Payroll taxes and fringe benefits	1,364	2,243	869	1,632	-	5,669	30,833	516	727	43,853
Instructional materials	3,158	48	-	2,119	420	270	66,174	174	-	72,363
Food	-	-	-	-	4,260	634	49	-	-	4,943
Travel and conference	2,502	948	-	325	-	700	17,970	-	-	22,445
Liability insurance	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	229	-	-	-	-	-	229
Rent/lease/repairs	-	30	-	-	-	-	1,554	-	-	1,584
Professional/consultants	-	-	-	1,145	-	10	2,791	3,385	-	7,331
Contract/personal service	-	-	-	245	-	-	5,175	-	-	5,420
Communications	-	-	-	333	-	-	-	-	-	333
Other	-	-	-	-	-	-	-	-	-	-
Indirect costs	3,667	1,547	296	-	-	3,968	25,484	-	-	34,962
Total expenses	19,541	11,862	4,845	13,606	4,680	30,424	352,199	6,385	6,689	450,231
Change in net assets	-	14,149	-	1,515	-	132	-	-	-	15,796
Net assets, beginning of period	-	-	-	-	-	-	-	-	-	-
Net assets, end of period	\$ -	\$ 14,149	\$ -	\$ 1,515	\$ -	\$ 132	\$ -	\$ -	\$ -	\$ 15,796

Training Employment and Community Help, Inc.

SCHEDULE OF ACTIVITIES

For the Year Ended June 30, 2008

	05-45081 DHS Domestic Violence	RC07151450 OCJP Sexual Assault	Welcome Baby	CAPIT	RAP Camp	1011529 & 1014822 CASA	CalWORKS	School Readiness Initiative	EHAP	Total
Revenues:										
Grants/contracts	\$ 221,684	\$ 90,294	\$ 29,028	\$ 60,030	\$ 21,987	\$ 46,637	\$ 25,000	\$ 151,072	\$ 11,270	\$ 657,002
Other	-	-	-	1,191	5,955	-	-	-	-	7,146
Total revenues	221,684	90,294	29,028	61,221	27,942	46,637	25,000	151,072	11,270	664,148
Expenses:										
Salaries	101,575	58,639	16,715	30,129	-	28,081	6,205	36,816	-	278,160
Payroll taxes and fringe benefits	24,960	14,137	7,814	6,177	-	5,981	3,065	8,206	-	70,340
Instructional materials	15,798	3,387	-	13,230	3,218	688	-	6,381	-	42,702
Food	25	-	-	775	11,450	-	-	-	-	12,250
Travel and conference	5,584	1,555	524	1,213	-	1,508	-	3,895	-	14,279
Liability insurance	-	-	-	-	-	-	-	-	-	-
Utilities	3,898	-	-	-	-	-	-	-	6,870	10,768
Rent/lease/repairs	11,473	76	-	3	-	-	-	-	3,400	14,952
Professional/consultants	6,776	3,246	-	2,520	-	40	-	-	-	12,582
Contract/personal service	21,477	875	-	3,238	13,274	-	13,693	84,290	-	136,847
Communications	3,204	1,814	-	-	-	-	-	1,601	-	6,619
Other	799	800	-	-	-	-	-	-	-	1,599
Indirect costs	18,702	5,765	3,975	5,729	-	10,339	2,037	9,883	1,000	57,430
Total expenses	214,271	90,294	29,028	63,014	27,942	46,637	25,000	151,072	11,270	658,528
Change in net assets	7,413	-	-	(1,793)	-	-	-	-	-	5,620
Net assets, beginning of period	-	-	-	-	-	-	-	-	-	-
Net assets, end of period	\$ 7,413	\$ -	\$ -	\$ (1,793)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,620

Training Employment and Community Help, Inc.

SCHEDULE OF ACTIVITIES

For the Year Ended June 30, 2008

	CFC-08/09 First 5 Siskiyou Parent	Prop 10 Modoc Parenting	Communi- ty Services Solutions	SVEC LIHEAP	CMRCD	Food Bank	Transpor- tation	North Cal-Neva RCD	MSCAA Shelter	Total
Revenues:										
Grants/contracts	\$ 32,235	\$ 25,901	\$ 7,200	\$ 700	\$ 175,378	\$ 17,737	\$ 6,206	\$ 78,330	\$ 13,993	\$ 357,680
Other	-	-	-	-	-	-	-	-	-	-
Total revenues	32,235	25,901	7,200	700	175,378	17,737	6,206	78,330	13,993	357,680
Expenses:										
Salaries	10,923	14,984	1,633	-	134,434	-	-	63,225	-	225,199
Payroll taxes and fringe benefits	2,341	3,191	427	-	29,113	-	-	17,667	-	52,739
Instructional materials	3,522	740	-	-	-	-	-	-	-	4,262
Food	-	-	-	-	-	13,805	-	-	-	13,805
Travel and conference	2,078	-	-	-	-	-	-	-	-	2,078
Liability insurance	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	1,344	-	-	4,830	-	10,891	17,065
Rent/lease/repairs	135	-	-	-	-	-	-	-	-	135
Professional/consultants	4,412	-	-	-	-	-	-	-	-	4,412
Contract/personal service	270	126	-	-	-	-	-	-	-	396
Communications	1,408	22	-	-	-	-	-	-	-	1,430
Other	-	-	-	-	-	-	-	-	-	-
Indirect costs	7,146	1,525	513	-	11,831	3,932	1,376	4,826	3,102	34,251
Total expenses	32,235	20,588	2,573	1,344	175,378	17,737	6,206	85,718	13,993	355,772
Change in net assets	-	5,313	4,627	(644)	-	-	-	(7,388)	-	1,908
Net assets, beginning of period	-	-	-	-	-	-	-	-	-	-
Net assets, end of period	\$ -	\$ 5,313	\$ 4,627	\$ (644)	\$ -	\$ -	\$ -	\$ (7,388)	\$ -	\$ 1,908

Training Employment and Community Help, Inc.
SCHEDULE OF ACTIVITIES
For the Year Ended June 30, 2008

	River Center RCD	Migrant Bird Fest	Senior Water Fund	Rainbow	07B-5425 LIHEAP	08B-5475 LIHEAP	State Preschool	Transport- ation Services	Translation Services	Total
Revenues:										
Grants/contracts	\$ 37,590	\$ (236)	\$ 1,774	\$ 8,725	\$ 78,882	\$ 47,680	\$ 12,251	\$ 22,554	\$ (144)	\$ 209,076
Other	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>37,590</u>	<u>(236)</u>	<u>1,774</u>	<u>8,725</u>	<u>78,882</u>	<u>47,680</u>	<u>12,251</u>	<u>22,554</u>	<u>(144)</u>	<u>209,076</u>
Expenses:										
Salaries	31,703	-	-	5,960	9,741	1,398	6,645	15,851	5,063	76,361
Payroll taxes and fringe benefits	10,019	-	-	893	2,522	391	1,341	3,761	821	19,748
Instructional materials	-	599	-	107	7,446	-	-	-	-	8,152
Food	-	-	-	-	-	-	-	-	-	-
Travel and conference	-	-	-	100	-	-	-	-	-	100
Liability insurance	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	100	-	59,173	45,891	-	-	-	105,164
Rent/lease/repairs	-	-	-	-	-	-	-	-	-	-
Professional/consultants	-	-	-	-	-	-	-	-	-	-
Contract/personal service	-	-	-	-	-	-	-	-	-	-
Communications	-	-	-	606	-	-	-	-	-	606
Other	-	-	-	-	-	-	-	-	-	-
Indirect costs	2,817	-	-	1,059	-	-	4,265	2,942	-	11,083
Total expenses	<u>44,539</u>	<u>599</u>	<u>100</u>	<u>8,725</u>	<u>78,882</u>	<u>47,680</u>	<u>12,251</u>	<u>22,554</u>	<u>5,884</u>	<u>221,214</u>
Change in net assets	(6,949)	(835)	1,674	-	-	-	-	-	(6,028)	(12,138)
Net assets, beginning of period	-	-	-	-	-	-	-	-	-	-
Net assets, end of period	<u>\$ (6,949)</u>	<u>\$ (835)</u>	<u>\$ 1,674</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,028)</u>	<u>\$ (12,138)</u>

Training Employment and Community Help, Inc.
CHILD DEVELOPMENT PROGRAMS - GENERAL INFORMATION
June 30, 2008

Schedule 8

Agency name:	Training Employment and Community Help, Inc.
Program name and contract number:	
CIMS-7334	Instructional Materials
CRRP-7039	Resource and Referral
CHST-7038	CCDF Health and Safety
CCEL-7025	Centralized Eligibility List Contracts
CECT-7038	Exempt Care Outreach and Training
CAPP-7044	Alternative Payment
C2AP-7040	Alternative Payment Stage 2
C3AP-7040	Alternative Payment Stage 3
CCIP-7038	Child Care Initiative Project
Type of Agency:	Nonprofit Corporation
Address of Agency:	112 East Second Street Alturas, CA 96101
Executive Director:	Carol Callaghan
Assistant Director:	Brenda Kresge
Program Director:	Donna Bowlin
Telephone number:	(530) 233-3111
Period covered:	July 1, 2007 through June 30, 2008
Days of operation:	248
Hours of operation:	8:00 a.m. to 5:00 p.m.
Total hours of operation:	9

Training Employment and Community Help, Inc.

Child Development Programs

SCHEDULE OF EXPENSES BY STATE CATEGORIES

For the Year Ended June 30, 2008

	CIMS-7334 Instructional Materials	CRRP-7039 Resource & Referral	CHST-7038 CCDF Health & Safety	CCEL-7025 Centralized Eligibility List	CECT-7038 Exempt Care Outreach & Training	CAPP-7044 Alternative Payment	C2AP-7040 Alternative Payment Stage 2	C3AP-7040 Alternative Payment Stage 3	CCIP-7038 Child Care Initiative Project	Total Reimbursable
Reimbursable expenses:										
DIRECT PAYMENTS TO										
PROVIDERS										
2000 CLASSIFIED SALARIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 359,077	\$ 94,176	\$ 3,040	\$ -	\$ 456,293
3000 EMPLOYEE BENEFITS	-	82,041	-	-	16,310	15,635	3,102	-	9,859	126,947
4000 BOOKS AND SUPPLIES	-	23,442	-	-	4,509	7,015	1,530	-	2,743	39,239
5000 SERVICES AND OTHER	-	28,862	97	-	1,910	-	-	-	5,098	35,967
OPERATING EXPENSES	-	20,355	941	4,479	1,815	5,169	310	-	1,379	34,448
INDIRECT COSTS	-	10,936	83	358	1,964	30,952	7,929	243	1,526	53,991
Total reimbursable expenses	\$ -	\$ 165,636	\$ 1,121	\$ 4,837	\$ 26,508	\$ 417,848	\$ 107,047	\$ 3,283	\$ 20,605	\$ 746,885

We have examined the claims filed for reimbursement and the original supporting records covering the transactions under those contracts to an extent considered necessary to assure ourselves that the amounts claimed by the Agency were proper.

Training Employment and Community Help, Inc.
Child Development Programs

SCHEDULE OF ADMINISTRATIVE COSTS

For the Year Ended June 30, 2008

	CIMS-7334 Instructional Materials	CRRP-7039 Resource & Referral	CHST-7038 CCDF Health & Safety	CCEI-7025 Centralized Eligibility List	CECT-7038		C2AP-7040 Alternative Payment Stage 2	C3AP-7040 Alternative Payment Stage 3	CCIP-7038 Child Care Initiative Project	Total Reimbursable
					Exempt Care	Outreach & Training				
Administrative costs:										
2000 CLASSIFIED SALARIES	\$ -	\$ 5,800	\$ -	\$ -	\$ -	\$ 1,305	\$ 4,977	\$ -	\$ 789	\$ 30,267
3000 EMPLOYEE BENEFITS	-	1,657	-	-	-	361	2,455	-	219	12,497
4000 BOOKS AND SUPPLIES	-	2,040	8	-	-	153	-	-	408	2,609
5000 SERVICES AND OTHER OPERATING EXPENSES	-	1,439	75	358	145	5,751	497	243	110	8,618
Total administrative costs	\$ -	\$ 10,936	\$ 83	\$ 358	\$ 1,964	\$ 30,952	\$ 7,929	\$ 243	\$ 1,526	\$ 53,991

We have examined the claims filed for reimbursement and the original supporting records covering the transactions under those contracts to an extent considered necessary to assure ourselves that the amounts claimed by the Agency were proper.

AUDITED FINAL REVENUE AND EXPENDITURE REPORT

Schedule 11

for Support Contracts

Agency Name: Training Employment and Community Help, Inc.

Vendor No. N984

Fiscal Year Ended: June 30, 2008

Contract No. CIMS-7334

Independent Auditor's Name: R.J. Ricciardi, Inc.

SECTION I - REVENUE	COLUMN A CUMULATIVE FISCAL YEAR PER AGENCY	COLUMN B AUDIT ADJUSTMENT INCREASE OR (DECREASE)	COLUMN C CUMULATIVE FISCAL YEAR PER AUDIT
RESTRICTED PROGRAM INCOME			
Child Care Food/National School Lunch Program	\$ -	\$ -	\$ -
Cal Learn Program	-	-	-
Restricted income for operating costs	-	-	-
Maintenance of Effort	-	-	-
Other:	-	-	-
Subtotal Restricted Program Income	-	-	-
FAMILY FEES FOR CERTIFIED CHILDREN	-	-	-
INTEREST EARNED ON CHILD DEVELOPMENT CONTRACT PAYMENTS	-	-	-
NON-RESTRICTED INCOME	-	-	-
Parent fees for noncertified children	-	-	-
Other:	-	-	-
Subtotal Revenue for Current Fiscal Year	-	-	-
Revenue Earned in Prior Years	-	-	-
TOTAL REVENUE	\$ -	\$ -	\$ -
SECTION II - EXPENDITURES			
REIMBURSABLE			
1000 Certificated Salaries	\$ -	\$ -	\$ -
2000 Classified Salaries	-	-	-
3000 Employee Benefits	-	-	-
4000 Books and Supplies	-	-	-
5000 Services and Other Operating Expenses	547	(547)	-
6100/6200 Other Approved Capital Outlay	-	-	-
6400 New Equipment (program-related)	-	-	-
6500 Equipment Replacement (program-related)	-	-	-
Depreciation or Use Allowance	-	-	-
Indirect Costs - - Rate: 8%	48	(48)	-
NONREIMBURSABLE EXPENSES			
6100-6500 Nonreimbursable capital outlay	-	-	-
Other nonreimbursable expenses:	-	-	-
Subtotal Expenses for Current Fiscal Year	595	(595)	-
Expenses Incurred in Prior Years	-	-	-
TOTAL EXPENSES	\$ 595	\$ (595)	\$ -
TOTAL ADMINISTRATIVE COSTS (included in section II above)	\$ 48	\$ (48)	\$ -
COMMENTS:			

AUDITED FINAL FISCAL REPORT

Schedule 12

for Resource and Referral Programs

Agency Name: Training Employment and Community Help, Inc.

Vendor No. N984

Fiscal Year Ended: June 30, 2008

Contract No. CRRP-7039

Independent Auditor's Name: R.J. Ricciardi, Inc.

SECTION I - REVENUE	EDP NO.	COLUMN A CUMULATIVE FISCAL YEAR PER AGENCY	COLUMN B AUDIT ADJUSTMENT INCREASE OR (DECREASE)	COLUMN C CUMULATIVE FISCAL YEAR PER AUDIT
RESTRICTED PROGRAM INCOME				
Restricted income for operating costs	308	\$ -	\$ -	\$ -
Maintenance of Effort	339	-	-	-
Other:	312	-	-	-
SUBTOTAL	311	-	-	-
TRANSFER FROM RESERVE FUND	310	-	-	-
INTEREST EARNED ON CHILD DEVELOPMENT CONTRACT PAYMENT	349	-	-	-
NON-RESTRICTED INCOME				
Other: Lending Library fees	362	203	(161)	42
TOTAL REVENUE	390	\$ 203	\$ (161)	\$ 42
SECTION II - EXPENSES				
REIMBURSABLE EXPENSES				
1000 Certificated Salaries	402	\$ -	\$ -	\$ -
2000 Classified Salaries	404	84,369	(2,328)	82,041
3000 Employee Benefits	406	24,146	(704)	23,442
4000 Books and Supplies	408	25,823	3,039	28,862
5000 Services and Other Operating Expenses	412	17,870	2,485	20,355
6100/6200 Other Approved Capital Outlay	413	-	-	-
6400 New Equipment (program-related)	414	-	-	-
6500 Equipment Replacement (program-related)	416	-	-	-
Depreciation or Use Allowance	439	-	-	-
Indirect Costs - - Rate: 8%	459	13,222	(2,286)	10,936
NONREIMBURSABLE EXPENSES				
6100-6500 Nonreimbursable capital outlay	479	-	-	-
Other:	489	-	-	-
TOTAL EXPENSES	490	\$ 165,430	\$ 206	\$ 165,636
COMMENTS:				

AUDITED FINAL REVENUE AND EXPENDITURE REPORT

Schedule 13

for Support Contracts

Agency Name: Training Employment and Community Help, Inc.

Vendor No. N984

Fiscal Year Ended: June 30, 2008

Contract No. CHST-7038

Independent Auditor's Name: R.J. Ricciardi, Inc.

SECTION I - REVENUE	COLUMN A CUMULATIVE FISCAL YEAR PER AGENCY	COLUMN B AUDIT ADJUSTMENT INCREASE OR (DECREASE)	COLUMN C CUMULATIVE FISCAL YEAR PER AUDIT
RESTRICTED PROGRAM INCOME			
Child Care Food/National School Lunch Program	\$ -	\$ -	\$ -
Cal Learn Program	-	-	-
Restricted income for operating costs	-	-	-
Maintenance of Effort	-	-	-
Other:	-	-	-
Subtotal Restricted Program Income	-	-	-
FAMILY FEES FOR CERTIFIED CHILDREN	-	-	-
INTEREST EARNED ON CHILD DEVELOPMENT CONTRACT PAYMENTS	-	-	-
NON-RESTRICTED INCOME	-	-	-
Parent fees for noncertified children	-	-	-
Other: Tuition	-	681	681
Subtotal Revenue for Current Fiscal Year	-	681	681
Revenue Earned in Prior Years	-	-	-
TOTAL REVENUE	\$ -	\$ 681	\$ 681
SECTION II - EXPENDITURES			
REIMBURSABLE			
1000 Certificated Salaries	\$ -	\$ -	\$ -
2000 Classified Salaries	-	-	-
3000 Employee Benefits	-	-	-
4000 Books and Supplies	97	-	97
5000 Services and Other Operating Expenses	1,816	(875)	941
6100/6200 Other Approved Capital Outlay	-	-	-
6400 New Equipment (program-related)	-	-	-
6500 Equipment Replacement (program-related)	-	-	-
Depreciation or Use Allowance	-	-	-
Indirect Costs - - Rate: 8%	107	(24)	83
NONREIMBURSABLE EXPENSES			
6100-6500 Nonreimbursable capital outlay	-	-	-
Other nonreimbursable expenses:	-	-	-
Subtotal Expenses for Current Fiscal Year	2,020	(899)	1,121
Expenses Incurred in Prior Years	-	-	-
TOTAL EXPENSES	\$ 2,020	\$ (899)	\$ 1,121
TOTAL ADMINISTRATIVE COSTS (included in section II above)	\$ 107	\$ (24)	\$ 83
COMMENTS:			

AUDITED FINAL REVENUE AND EXPENDITURE REPORT

Schedule 14

for Support Contracts

Agency Name: Training Employment and Community Help, Inc.

Vendor No. N984

Fiscal Year Ended: June 30, 2008

Contract No. CCEL-7025

Independent Auditor's Name: R.J. Ricciardi, Inc.

SECTION I - REVENUE	COLUMN A CUMULATIVE FISCAL YEAR PER AGENCY	COLUMN B AUDIT ADJUSTMENT INCREASE OR (DECREASE)	COLUMN C CUMULATIVE FISCAL YEAR PER AUDIT
RESTRICTED PROGRAM INCOME			
Child Care Food/National School Lunch Program	\$ -	\$ -	\$ -
Cal Learn Program	-	-	-
Restricted income for operating costs	-	-	-
Maintenance of Effort	-	-	-
Other:	-	-	-
Subtotal Restricted Program Income	-	-	-
FAMILY FEES FOR CERTIFIED CHILDREN	-	-	-
INTEREST EARNED ON CHILD DEVELOPMENT CONTRACT PAYMENTS	-	-	-
NON-RESTRICTED INCOME	-	-	-
Parent fees for noncertified children	-	-	-
Other:	-	-	-
Subtotal Revenue for Current Fiscal Year	-	-	-
Revenue Earned in Prior Years	-	-	-
TOTAL REVENUE	\$ -	\$ -	\$ -
SECTION II - EXPENDITURES			
REIMBURSABLE			
1000 Certificated Salaries	\$ -	\$ -	\$ -
2000 Classified Salaries	1,844	(1,844)	-
3000 Employee Benefits	470	(470)	-
4000 Books and Supplies	-	-	-
5000 Services and Other Operating Expenses	4,479	-	4,479
6100/6200 Other Approved Capital Outlay	-	-	-
6400 New Equipment (program-related)	-	-	-
6500 Equipment Replacement (program-related)	-	-	-
Depreciation or Use Allowance	-	-	-
Indirect Costs - - Rate: 8%	591	(233)	358
NONREIMBURSABLE EXPENSES			
6100-6500 Nonreimbursable capital outlay	-	-	-
Other nonreimbursable expenses:	-	-	-
Subtotal Expenses for Current Fiscal Year	7,384	(2,547)	4,837
Expenses Incurred in Prior Years	-	-	-
TOTAL EXPENSES	\$ 7,384	\$ (2,547)	\$ 4,837
TOTAL ADMINISTRATIVE COSTS (included in section II above)	\$ 591	\$ (233)	\$ 358
COMMENTS:			

AUDITED FINAL REVENUE AND EXPENDITURE REPORT

Schedule 15

for Support Contracts

Agency Name: Training Employment and Community Help, Inc.

Vendor No. N984

Fiscal Year Ended: June 30, 2008

Contract No. CECT-7038

Independent Auditor's Name: R.J. Ricciardi, Inc.

SECTION I - REVENUE	COLUMN A CUMULATIVE FISCAL YEAR PER AGENCY	COLUMN B AUDIT ADJUSTMENT INCREASE OR (DECREASE)	COLUMN C CUMULATIVE FISCAL YEAR PER AUDIT
RESTRICTED PROGRAM INCOME			
Child Care Food/National School Lunch Program	\$ -	\$ -	\$ -
Cal Learn Program	-	-	-
Restricted income for operating costs	-	-	-
Maintenance of Effort	-	-	-
Other:	-	-	-
Subtotal Restricted Program Income	-	-	-
FAMILY FEES FOR CERTIFIED CHILDREN	-	-	-
INTEREST EARNED ON CHILD DEVELOPMENT CONTRACT PAYMENTS	-	-	-
NON-RESTRICTED INCOME	-	-	-
Parent fees for noncertified children	-	-	-
Other:	-	-	-
Subtotal Revenue for Current Fiscal Year	-	-	-
Revenue Earned in Prior Years	-	-	-
TOTAL REVENUE	\$ -	\$ -	\$ -
SECTION II - EXPENDITURES			
REIMBURSABLE			
1000 Certificated Salaries	\$ -	\$ -	\$ -
2000 Classified Salaries	15,691	619	16,310
3000 Employee Benefits	4,347	162	4,509
4000 Books and Supplies	1,910	-	1,910
5000 Services and Other Operating Expenses	1,815	-	1,815
6100/6200 Other Approved Capital Outlay	-	-	-
6400 New Equipment (program-related)	-	-	-
6500 Equipment Replacement (program-related)	-	-	-
Depreciation or Use Allowance	-	-	-
Indirect Costs - - Rate: 8%	2,066	(102)	1,964
NONREIMBURSABLE EXPENSES			
6100-6500 Nonreimbursable capital outlay	-	-	-
Other nonreimbursable expenses:	-	-	-
Subtotal Expenses for Current Fiscal Year	25,829	679	26,508
Expenses Incurred in Prior Years	-	-	-
TOTAL EXPENSES	\$ 25,829	\$ 679	\$ 26,508
TOTAL ADMINISTRATIVE COSTS (included in section II above)	\$ 2,567	\$ (603)	\$ 1,964
COMMENTS:			

AUDITED FINAL FISCAL REPORT

Schedule 16

for Alternative Payment or Family Child Care Home Programs

Agency Name: Training Employment and Community Help, Inc.

Vendor No. N984

Fiscal Year Ended: June 30, 2008

Contract No. CAPP-7044

Independent Auditor's Name: R.J. Ricciardi, Inc.

SECTION I - REVENUE	EDP NO.	COLUMN A CUMULATIVE FISCAL YEAR PER AGENCY	COLUMN B AUDIT ADJUSTMENT INCREASE OR (DECREASE)	COLUMN C CUMULATIVE FISCAL YEAR PER AUDIT
RESTRICTED PROGRAM INCOME				
Child Care Food/National School Lunch Program	302	\$ -	\$ -	\$ -
Restricted income for operating costs	306	-	-	-
Cal Learn Program	308	-	-	-
Maintenance of Effort	339	-	-	-
Other:	312	-	-	-
SUBTOTAL	311	-	-	-
TRANSFER FROM RESERVE FUND	310	-	-	-
FAMILY FEES FOR CERTIFIED CHILDREN	329	20,532	(194)	20,338
INTEREST EARNED ON CHILD DEVELOPMENT CONTRACT PAYMENT	349	-	-	-
NON-RESTRICTED INCOME		-	-	-
Parent fees for noncertified children	356	-	-	-
Other:	362	-	-	-
TOTAL REVENUE	390	\$ 20,532	\$ (194)	\$ 20,338
SECTION II - EXPENSES				
REIMBURSABLE EXPENSES				
Direct Payments to Providers		\$ 359,077	\$ -	\$ 359,077
1000 Certificated Salaries		-	-	-
2000 Classified Salaries		14,611	1,024	15,635
3000 Employee Benefits		6,492	523	7,015
4000 Books and Supplies		-	-	-
5000 Services and Other Operating Expenses		5,704	(535)	5,169
6100/6200 Other Approved Capital Outlay		-	-	-
6400 New Equipment (program-related)		-	-	-
6500 Equipment Replacement (program-related)		-	-	-
Depreciation or Use Allowance		-	-	-
Indirect Costs - - Rate: 8%		30,870	82	30,952
NONREIMBURSABLE EXPENSES				
6100-6500 Nonreimbursable capital outlay		-	-	-
Other:		-	-	-
TOTAL EXPENSES		\$ 416,754	\$ 1,094	\$ 417,848
TOTAL ADMINISTRATIVE COST (included above)		\$ 35,991	\$ (5,039)	\$ 30,952
DAYS OF OPERATION		248	-	248
COMMENTS:				

AUDITED FINAL FISCAL REPORT

Schedule 17

for Alternative Payment or Family Child Care Home Programs

Agency Name: Training Employment and Community Help, Inc.

Vendor No. N984

Fiscal Year Ended: June 30, 2008

Contract No. C2AP-7040

Independent Auditor's Name: R.J. Ricciardi, Inc.

SECTION I - REVENUE	EDP NO.	COLUMN A CUMULATIVE FISCAL YEAR PER AGENCY	COLUMN B AUDIT ADJUSTMENT INCREASE OR (DECREASE)	COLUMN C CUMULATIVE FISCAL YEAR PER AUDIT
RESTRICTED PROGRAM INCOME				
Child Care Food/National School Lunch Program	302	\$ -	\$ -	\$ -
Restricted income for operating costs	306	-	-	-
Cal Learn Program	308	-	-	-
Maintenance of Effort	339	-	-	-
Other:	312	-	-	-
SUBTOTAL	311	-	-	-
TRANSFER FROM RESERVE FUND	310	-	-	-
FAMILY FEES FOR CERTIFIED CHILDREN	329	914	20	934
INTEREST EARNED ON CHILD DEVELOPMENT CONTRACT PAYMENT	349	-	-	-
NON-RESTRICTED INCOME		-	-	-
Parent fees for noncertified children	356	-	-	-
Other:	362	-	-	-
TOTAL REVENUE	390	\$ 914	\$ 20	\$ 934
SECTION II - EXPENSES				
REIMBURSABLE EXPENSES				
Direct Payments to Providers		\$ 94,176	\$ -	\$ 94,176
1000 Certificated Salaries		-	-	-
2000 Classified Salaries		2,846	256	3,102
3000 Employee Benefits		1,399	131	1,530
4000 Books and Supplies		-	-	-
5000 Services and Other Operating Expenses		-	310	310
6100/6200 Other Approved Capital Outlay		-	-	-
6400 New Equipment (program-related)		-	-	-
6500 Equipment Replacement (program-related)		-	-	-
Depreciation or Use Allowance		-	-	-
Indirect Costs - - Rate: 8%		6,973	956	7,929
NONREIMBURSABLE EXPENSES				
6100-6500 Nonreimbursable capital outlay		-	-	-
Other:		-	-	-
TOTAL EXPENSES		\$ 105,394	\$ 1,653	\$ 107,047
TOTAL ADMINISTRATIVE COST (included above)		\$ 8,786	\$ (857)	\$ 7,929
DAYS OF OPERATION		248	-	248
COMMENTS:				

AUDITED FINAL FISCAL REPORT

Schedule 18

for Alternative Payment or Family Child Care Home Programs

Agency Name: Training Employment and Community Help, Inc.

Vendor No. N984

Fiscal Year Ended: June 30, 2008

Contract No. C3AP-7040

Independent Auditor's Name: R.J. Ricciardi, Inc.

SECTION I - REVENUE	EDP NO.	COLUMN A CUMULATIVE FISCAL YEAR PER AGENCY	COLUMN B AUDIT ADJUSTMENT INCREASE OR (DECREASE)	COLUMN C CUMULATIVE FISCAL YEAR PER AUDIT
RESTRICTED PROGRAM INCOME				
Child Care Food/National School Lunch Program	302	\$ -	\$ -	\$ -
Restricted income for operating costs	306	-	-	-
Cal Learn Program	308	-	-	-
Maintenance of Effort	339	-	-	-
Other:	312	-	-	-
SUBTOTAL	311	-	-	-
TRANSFER FROM RESERVE FUND	310	-	-	-
FAMILY FEES FOR CERTIFIED CHILDREN	329	362	74	436
INTEREST EARNED ON CHILD DEVELOPMENT CONTRACT PAYMENT	349	-	-	-
NON-RESTRICTED INCOME				
Parent fees for noncertified children	356	-	-	-
Other:	362	-	-	-
TOTAL REVENUE	390	\$ 362	\$ 74	\$ 436
SECTION II - EXPENSES				
REIMBURSABLE EXPENSES				
Direct Payments to Providers		\$ 3,040	\$ -	\$ 3,040
1000 Certificated Salaries		-	-	-
2000 Classified Salaries		-	-	-
3000 Employee Benefits		-	-	-
4000 Books and Supplies		-	-	-
5000 Services and Other Operating Expenses		-	-	-
6100/6200 Other Approved Capital Outlay		-	-	-
6400 New Equipment (program-related)		-	-	-
6500 Equipment Replacement (program-related)		-	-	-
Depreciation or Use Allowance		-	-	-
Indirect Costs - - Rate: 8%		207	36	243
NONREIMBURSABLE EXPENSES				
6100-6500 Nonreimbursable capital outlay		-	-	-
Other:		-	-	-
TOTAL EXPENSES		\$ 3,247	\$ 36	\$ 3,283
TOTAL ADMINISTRATIVE COST (included above)		\$ 207	\$ 36	\$ 243
DAYS OF OPERATION		248	-	248
COMMENTS:				

AUDITED FINAL REVENUE AND EXPENDITURE REPORT

Schedule 19

for Support Contracts

Agency Name: Training Employment and Community Help, Inc.

Vendor No. N984

Fiscal Year Ended: June 30, 2008

Contract No. CCIP-7038

Independent Auditor's Name: R.J. Ricciardi, Inc.

SECTION I - REVENUE	COLUMN A CUMULATIVE FISCAL YEAR PER AGENCY	COLUMN B AUDIT ADJUSTMENT INCREASE OR (DECREASE)	COLUMN C CUMULATIVE FISCAL YEAR PER AUDIT
RESTRICTED PROGRAM INCOME			
Child Care Food/National School Lunch Program	\$ -	\$ -	\$ -
Cal Learn Program	-	-	-
Restricted income for operating costs	-	-	-
Maintenance of Effort	-	-	-
Other:	-	-	-
Subtotal Restricted Program Income	-	-	-
FAMILY FEES FOR CERTIFIED CHILDREN	-	-	-
INTEREST EARNED ON CHILD DEVELOPMENT CONTRACT PAYMENTS	-	-	-
NON-RESTRICTED INCOME	-	-	-
Parent fees for noncertified children	-	-	-
Other:	-	-	-
Subtotal Revenue for Current Fiscal Year	-	-	-
Revenue Earned in Prior Years	-	-	-
TOTAL REVENUE	\$ -	\$ -	\$ -
SECTION II - EXPENDITURES			
REIMBURSABLE			
1000 Certificated Salaries	\$ -	\$ -	\$ -
2000 Classified Salaries	9,859	-	9,859
3000 Employee Benefits	2,743	-	2,743
4000 Books and Supplies	5,826	(728)	5,098
5000 Services and Other Operating Expenses	4,198	(2,819)	1,379
6100/6200 Other Approved Capital Outlay	-	-	-
6400 New Equipment (program-related)	-	-	-
6500 Equipment Replacement (program-related)	-	-	-
Depreciation or Use Allowance	-	-	-
Indirect Costs - - Rate: 8%	1,968	(442)	1,526
NONREIMBURSABLE EXPENSES			
6100-6500 Nonreimbursable capital outlay	-	-	-
Other nonreimbursable expenses:	-	-	-
Subtotal Expenses for Current Fiscal Year	24,594	(3,939)	20,605
Expenses Incurred in Prior Years	-	-	-
TOTAL EXPENSES	\$ 24,594	\$ (3,939)	\$ 20,605
TOTAL ADMINISTRATIVE COSTS (included in section II above)	\$ 3,298	\$ (1,772)	\$ 1,526
COMMENTS:			

Training Employment and Community Help, Inc.

Schedule 20

Child Development Programs

SCHEDULE OF RENOVATION AND REPAIR EXPENSES UTILIZING CONTRACT FUNDS

For the Year Ended June 30, 2008

	CIMS-7334 Instructional Materials	CRRP-7039 Resource & Referral	CHST-7038 CDDF Health & Safety	CCEL-7025 Centralized Eligibility List	CECT-7038 Exempt Care Outreach & Training	CAPP-7044 Alternative Payment	C2AP-7040 Alternative Payment Stage 2	C3AP-7040 Alternative Payment Stage 3	CCIP-7038 Child Care Initiative Project	Total Reimbursable
Unit cost under \$10,000 item:										
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	-	-	-	-	-	-	-	-	-	-
Unit cost over \$10,000 with CDD approval:										
None	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Unit cost over \$10,000 without CDD approval:										
None	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Total renovation and repair expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Training Employment and Community Help, Inc.
Child Development Programs

SCHEDULE OF CAPITAL OUTLAY AND EQUIPMENT EXPENSES UTILIZING CONTRACT FUNDS

For the Year Ended June 30, 2008

	CIMS-7334 Instruc- tional Materials	CRRP-7039 Resource & Referral	CHST-7038 CCDF Health & Safety	CCEL-7025 Centralized Eligibility List	CECT-7038 Exempt Care Outreach & Training	CAPP-7044 Alternative Payment	C2AP-7040 Alternative Payment Stage 2	C3AP-7040 Alternative Payment Stage 3	CCIP-7038 Child Care Initiative Project	Total Reimbursable
Unit cost under \$7,500 item:										
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	-	-	-	-	-	-	-	-	-	-
Unit cost over \$7,500 with CDD approval:										
None	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Unit cost over \$7,500 without CDD approval:										
None	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Total capital outlay and equipment expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Training Employment and Community Help, Inc.
DEPT OF CSD SCHEDULE OF REVENUE AND EXPENSES
 Contract No. 06B-5375 (LIHEAP)
 For the Period January 1, 2006 through December 31, 2007

Schedule 22

	1/1/2006 through 6/30/2007	7/1/2007 through 12/31/2007	Total Audited Costs	Total Reported Expenses	Total Budgets
Revenues:					
Grant revenue	\$ 226,216	\$ (4,293)	\$ 221,923	\$ 221,923	\$ 232,507
Other revenue	-	-	-	-	-
Total revenues	<u>226,216</u>	<u>(4,293)</u>	<u>221,923</u>	<u>221,923</u>	<u>232,507</u>
		*			
Expenses:					
LIHEAP Assurance 16/Intake/ECIP/HEAP:					
Assurance 16 activities	<u>12,076</u>	<u>(229)</u>	<u>11,847</u>	<u>11,847</u>	<u>11,847</u>
Intake	<u>5,980</u>	<u>(113)</u>	<u>5,867</u>	<u>5,867</u>	<u>5,868</u>
Administrative costs:					
Administrative costs	<u>12,829</u>	<u>(243)</u>	<u>12,586</u>	<u>12,586</u>	<u>12,586</u>
Energy automation set-a-side	<u>1,314</u>	<u>(25)</u>	<u>1,289</u>	<u>1,289</u>	<u>1,289</u>
Subtotal administrative costs	<u>14,143</u>	<u>(268)</u>	<u>13,875</u>	<u>13,875</u>	<u>13,875</u>
ECIP program costs:					
Cooling service repair/replacement	-	-	-	-	-
Heating service repair/replacement	<u>3,681</u>	<u>(70)</u>	<u>3,611</u>	<u>3,611</u>	<u>3,612</u>
Other ECIP heating and cooling program costs	-	-	-	-	-
Outreach	<u>7,571</u>	<u>(144)</u>	<u>7,427</u>	<u>7,427</u>	<u>7,427</u>
Wood/propane/oil payments	<u>52,909</u>	<u>(1,004)</u>	<u>51,905</u>	<u>51,905</u>	<u>60,459</u>
Other	-	-	-	-	-
Liability insurance	-	-	-	-	-
Training	-	-	-	-	-
Vehicle and equipment	-	-	-	-	-
Worker's compensation	-	-	-	-	-
Subtotal ECIP program costs	<u>64,161</u>	<u>(1,218)</u>	<u>62,943</u>	<u>62,943</u>	<u>71,498</u>
HEAP Outreach WPO costs:					
Outreach	<u>7,383</u>	<u>(140)</u>	<u>7,243</u>	<u>7,243</u>	<u>7,243</u>
Wood/propane/oil payments	<u>122,473</u>	<u>(2,325)</u>	<u>120,148</u>	<u>120,148</u>	<u>121,926</u>
Subtotal HEAP Outreach WPO costs	<u>129,856</u>	<u>(2,465)</u>	<u>127,391</u>	<u>127,391</u>	<u>129,169</u>
ECF energy education workshops	-	-	-	-	250
Total expenses	<u>226,216</u>	<u>(4,293)</u>	<u>221,923</u>	<u>221,923</u>	<u>232,507</u>
		**			
Revenue over (under) expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*Represents accounts receivable that was uncollected.

**Represents expenses not reported on the closeouts.

Training Employment and Community Help, Inc.
DEPT OF CSD SCHEDULE OF REVENUE AND EXPENSES

Schedule 23

Contract No. 07B-5425 (LIHEAP)

For the Period January 1, 2007 through April 30, 2008

	1/1/2007 through 6/30/2007	7/1/2007 through 4/30/2008	Total Audited Costs	Total Reported Expenses	Total Budgets
Revenues:					
Grant revenue	\$ 117,232	\$ 78,882	\$ 196,114	\$ 210,694	\$ 196,114
Other revenue	-	-	-	-	-
Total revenues	<u>117,232</u>	<u>78,882</u>	<u>196,114</u>	<u>210,694</u>	<u>196,114</u>
			*		
Expenses:					
LIHEAP Assurance 16/Intake/ECIP/HEAP:					
Assurance 16 activities	<u>5,531</u>	<u>3,721</u>	<u>9,252</u>	<u>9,252</u>	<u>9,249</u>
Intake	<u>2,889</u>	<u>1,944</u>	<u>4,833</u>	<u>4,833</u>	<u>5,198</u>
Administrative costs:					
Administrative costs	<u>6,636</u>	<u>4,465</u>	<u>11,101</u>	<u>11,101</u>	<u>12,390</u>
Energy automation set-a-side	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal administrative costs	<u>6,636</u>	<u>4,465</u>	<u>11,101</u>	<u>11,101</u>	<u>12,390</u>
ECIP program costs:					
Cooling service repair/replacement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Heating service repair/replacement	<u>10,379</u>	<u>6,983</u>	<u>17,362</u>	<u>17,362</u>	<u>20,000</u>
Other ECIP heating and cooling program costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Outreach	<u>3,041</u>	<u>2,046</u>	<u>5,087</u>	<u>5,087</u>	<u>5,338</u>
Wood/propane/oil payments	<u>23,417</u>	<u>15,756</u>	<u>39,173</u>	<u>39,173</u>	<u>48,302</u>
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liability insurance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Training	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Vehicle and equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Worker's compensation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal ECIP program costs	<u>36,837</u>	<u>24,785</u>	<u>61,622</u>	<u>61,622</u>	<u>73,640</u>
HEAP Outreach WPO costs:					
Outreach	<u>4,182</u>	<u>2,814</u>	<u>6,996</u>	<u>6,996</u>	<u>7,655</u>
Wood/propane/oil payments	<u>61,157</u>	<u>41,153</u>	<u>102,310</u>	<u>116,890</u>	<u>87,982</u>
Subtotal HEAP Outreach WPO costs	<u>65,339</u>	<u>43,967</u>	<u>109,306</u>	<u>123,886</u>	<u>95,637</u>
ECF energy education workshops	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>117,232</u>	<u>78,882</u>	<u>196,114</u>	<u>210,694</u>	<u>196,114</u>
			*		
Revenue over (under) expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*The difference between the audited costs and reported expenses represent costs over the budget amount that were reclassified to the General Fund.

INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Training Employment and
Community Help, Inc.
Alturas, California

We have audited the financial statements of Training Employment and Community Help, Inc. as of and for the year ended June 30, 2008, and have issued our report thereon dated November 10, 2008. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the U.S. Comptroller General.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Training Employment and Community Help, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on Training Employment and Community Help, Inc.'s financial statements, but not for the purpose of expressing an opinion on the effectiveness of Training Employment and Community Help, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Training Employment and Community Help, Inc.'s internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Training Employment and Community Help, Inc.'s financial statements that is more than inconsequential will not be prevented or detected by the internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Training Employment and Community Help, Inc. in a separate letter dated November 10, 2008.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Training Employment and Community Help, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of Training Employment and Community Help, Inc. in a separate letter dated November 10, 2008.

This report is intended for the information of the Board of Directors, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



R.J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
November 10, 2008

INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Training Employment and
Community Help, Inc.
Alturas, California

Compliance

We have audited the compliance of Training Employment and Community Help, Inc. with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. Training Employment and Community Help, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Training Employment and Community Help, Inc.'s management. Our responsibility is to express an opinion on Training Employment and Community Help, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Training Employment and Community Help, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Training Employment and Community Help, Inc.'s compliance with those requirements.

In our opinion, Training Employment and Community Help, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Training Employment and Community Help, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Training Employment and Community Help, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Training Employment and Community Help, Inc.'s internal control over compliance.

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of the Board of Directors, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.



R.J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
November 10, 2008

Training Employment and Community Help, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2008

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass Through Grantor's Number	Award Amount	Revenues	Expenditures
<u>U.S. Department of Labor:</u>					
Pass through the Modoc County Office of Education: Even Start - Migrant	84.213	N/A	\$ 94,441	\$ 94,441	\$ 94,441
Total U.S. Department of Labor				94,441	94,441
<u>U.S. Department of Health and Human Services:</u>					
Pass through the State of California Office of Criminal Justice Planning: Sexual Assault Services	93.136	RC07151450	92,218	90,294	90,294
Total pass through the State of California Office of Criminal Justice Planning				90,294	90,294 *
Pass through the California State Department of Community Services and Development: Low Income Home Energy Assistance Program	93.568	07B-5425	196,114	78,882	78,882
Low Income Home Energy Assistance Program	93.568	08B-5475	179,102	47,680	47,680
Total pass through the California State Department of Community Services and Development				126,562	126,562
Pass through the Modoc-Siskiyou Community Action Agency: Community Services Block Grant - Food Bank	93.569	07F-4728 & 08F-4927	25,000	17,737	17,737
Community Services Block Grant - Transportation	93.569	07F-4728 & 08F-4927	8,000	6,206	6,206
Community Services Block Grant - MSCAA Shelter	93.569	07F-4728 & 08F-4927	21,000	13,993	13,993
Total pass through the Modoc-Siskiyou Community Action Agency				37,936	37,936
Pass through the Modoc County Office of Education: Early Head Start	93.600	N/A	1,668,418	757,907	757,907
Total pass through the Modoc County Office of Education				757,907	757,907

* The match in-kind of \$16,887 was not recognized in the financial statements because it did not meet the criteria for recognition under SFAS No. 116.

Training Employment and Community Help, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2008

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass Through Grantor's Number	Award Amount	Revenues	Expenditures
U.S. Department of Health and Human Services (concluded):					
Pass through the California State Department of Education:					
Instructional Materials	93.575*	CIMS-7334	\$ 595	\$ 595	\$ -
Resource and Referral	93.575*	CRRP-7039	19,118	12,814	12,856
CCDF Health and Safety	93.575*	CHST-7038	1,338	440	1,121
Centralized Eligibility List Contracts	93.575*	CCEL-7025	7,384	4,837	4,837
Exempt Care Outreach and Training	93.575*	CECT-7038	25,829	25,829	26,508
	93.575 &				
Alternative Payment	93.596*	CAPP-7044	228,049	228,049	252,384
Child Care Initiative Project	93.575*	CCIP-7038	24,594	20,605	20,605
Total pass through the California State Department of Education				293,169	318,311
Pass through the Modoc County Superintendent of Schools:					
Local Planning Council	93.575*	CLPC-7024	92,023	92,023	74,958
Total pass through the Modoc County Superintendent of Schools				92,023	74,958
Total U.S. Department of Health and Human Services				1,397,891	1,405,968
Total federal awards				\$ 1,492,332	\$ 1,500,409
State Awards from the California State Department of Education:					
Resource and Referral	N/A	CRRP-7039	\$ 152,780	\$ 152,780	\$ 152,780
Alternative Payment	N/A	CAPP-7044	165,464	165,464	165,464
Alternative Payment Stage 2	N/A	C2AP-7040	110,531	106,113	107,047
Alternative Payment Stage 3	N/A	C3AP-7040	3,865	2,847	3,283
Pass through the Modoc County Superintendent of Schools:					
Local Planning Council	N/A	CLPC-7024	14,173	14,173	14,173
Family Child Care Homes	N/A	CFCC-7017	207,493	198,788	211,748
CC Salary/Retention Incentive	N/A	CRET-5022	13,541	13,541	14,541
Total state awards from the California State Department of Education				\$ 653,706	\$ 669,036

* Child Care Programs Cluster

Training Employment and Community Help, Inc.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2008

NOTE 1 - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Training Employment and Community Help, Inc., and is presented on the accrual basis. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Training Employment and Community Help, Inc.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2008

Section I – Summary of Auditors’ Results

1. The auditors’ report is unqualified.
2. With respect to internal control over financial reporting:
 - A. There were no material weaknesses identified.
 - B. There were no significant deficiencies identified that were not considered to be material weaknesses.
 - C. There were no instances of noncompliance material to financial statements noted.
3. With respect to internal control over major programs:
 - A. There were no material weaknesses identified.
 - B. There were no significant deficiencies identified that were not considered to be material weaknesses.
 - C. The auditors’ report issued on compliance for major programs is unqualified.
 - D. There were no audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133.
4. Audited as Major Programs:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Amount</u>
93.600	Early Head Start	\$ 757,907

5. Dollar threshold used to distinguish between type A and type B programs: \$300,000.
6. The auditee is qualified as a low-risk auditee.

Section II – Financial Statement Findings

There were no financial statement findings.

Section III – Federal Award Findings and Questioned Costs

There were no federal award findings and questioned costs.

STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

Recommendation

Status/Explanation

There were no prior year findings or recommendations.

☒ File ☐ Follow-up Letter & File

☐ Suspend

Audit Report Review Form

☒ Closed 12/23/08 Control # 04310

Subrecipient Name: T.E.A.C.H. (Training Employment & Community Help)		Fiscal Year Ended: 06/30/08	
Grant Name:		Grant #	
Date Received by OES:	Rec'd w/i 9 months? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Review Date:	Review Performed By: Roni Armstrong

SCO TRANSMITTAL LETTER

Did SCO identify any cross-cutting findings?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> N/A
Did SCO refer any program-specific findings to OES?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> SCO Letter Not Received

AUDIT THRESHOLD

Total OES-related award amount reported in audit <input type="checkbox"/> <\$25K <input checked="" type="checkbox"/> \$25-\$500K <input type="checkbox"/> >\$500K	Type of audit report required <input type="checkbox"/> FS <input checked="" type="checkbox"/> Single Audit <input type="checkbox"/> Grant-Specific
Federal award total reported in audit <input type="checkbox"/> <\$500 <input checked="" type="checkbox"/> =>\$500K <input type="checkbox"/> Not shown	Type of report received: <input type="checkbox"/> FS <input checked="" type="checkbox"/> SAR <input type="checkbox"/> Grant-Specific
	Type of audit report appropriate? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A

AUDIT QUALIFIERS – REQUIRED ITEMS

SINGLE AUDIT REPORTS	GRANT-SPECIFIC REPORTS / FINANCIAL STATEMENTS
Auditor's Report: <input type="checkbox"/> No report "...presents fairly the financial position... in conformity with generally accepted accounting principles" <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Report makes reference to separate reports on compliance & internal controls <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Auditor's Report: <input type="checkbox"/> No report Report describes scope of testing, e.g., "We have audited the..." <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not included "...audit conducted ... in conformity with generally accepted accounting principles" <input type="checkbox"/> Yes <input type="checkbox"/> No
Financial Statement: Report on internal control describes scope of testing, e.g., "We have audited the..." <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not included Report includes a statement that report complies with: <input type="checkbox"/> GAS <input type="checkbox"/> GAGAS <input checked="" type="checkbox"/> GAS or GAGAS and GAAS <input type="checkbox"/> No Statement (for public accountants)	Report includes language: "schedule [financial statement/grant statement] presents fairly...the status of funds & related expenditures [financial operations] of the/ selected grants." <input type="checkbox"/> Yes <input type="checkbox"/> No Report makes reference to separate reports on compliance & internal controls <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No letter
Major Programs: Report includes an opinion (or disclaimer) that report complies with laws, regulations & provisions of contracts or grant agreements <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Report includes language: "schedule of expenditures of federal awards is presented fairly... in relation to the financial statement taken as a whole." <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Report on Compliance & Internal Controls: Report on internal control describes scope of testing, e.g., "We have audited the..." <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not included Report includes a statement that report complies with: <input type="checkbox"/> GAS <input type="checkbox"/> GAGAS <input type="checkbox"/> GAS or GAGAS and GAAS <input type="checkbox"/> No Statement (for public accountants) Report includes an opinion (or disclaimer) that report complies with: Laws, regulations & provisions of contracts or grant agreements <input type="checkbox"/> Yes <input type="checkbox"/> No OES audit program & handbook <input type="checkbox"/> Yes <input type="checkbox"/> No
Report contains: Schedule of expenditures of federal awards by agency and pass-through entity <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Identifying CFDA # <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Statement that audit was conducted in accordance with OMB circular A-133 <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Notes describing significant accounting policies (review contents) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Prior year findings with status <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Report contains: Grant number (grant-specific) <input type="checkbox"/> Yes <input type="checkbox"/> No Audit period <input type="checkbox"/> Yes <input type="checkbox"/> No Notes describing significant accounting policies (review contents) <input type="checkbox"/> Yes <input type="checkbox"/> No Prior year findings with status <input type="checkbox"/> Yes <input type="checkbox"/> No

FINDINGS & QUESTIONED COSTS

	Financial Statements Grant-Specific Programs	Major Federal Programs
What type of report was issued? (<input type="checkbox"/> No SAR – F/S & Federal Audit Clearinghouse data)	<input checked="" type="checkbox"/> Unqualified <input type="checkbox"/> Qualified <input type="checkbox"/> Adverse <input type="checkbox"/> Disclaim <input type="checkbox"/> Modified <input type="checkbox"/> Not included	<input checked="" type="checkbox"/> Unqualified <input type="checkbox"/> Qualified <input type="checkbox"/> Adverse <input type="checkbox"/> Disclaim <input type="checkbox"/> Modified <input type="checkbox"/> Not included
In the Internal Controls, were any material weaknesses identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not included	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not included

In the Internal Controls, were any significant deficiencies identified <i>not considered to be material weaknesses</i> ?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not included	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not included
Were there any instances of noncompliance ?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not included	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not included
Were there any audit findings disclosed that are required to be reported in accordance with A-133, Section .510(a) ?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not included
Were there any findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Total number of findings: 0 # of findings related to OES: 0	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Total number of findings: 0 # of findings related to OES: 0

Brief Summary of Findings

Financial Statement Findings: ☐ Findings not material to OES grants

NONE

Major Federal Program Findings: ☐ Findings not material to OES grants

NONE

MANAGEMENT LETTER DATED NOVEMBER 10, 2008:

No current year observations.

Prior year observations:

1) LIHEAP Participant Files:

Most of the eligibility forms did not have the reviewer's signature on the form.

Recommendation: Require the reviewer to sign the forms.

Status: Recommendation was implemented.

2) Communication of Internal Control Related Matters:

Under the new auditing standards, auditors are required to communicate certain matters regarding internal controls:

- We drafted TEACH's financial stmts with the assistance of mgmt.
- We proposed material audit adjustments with the assistance of mgmt. At year-end, there were typical closing entries that needed to be made such as (1) adjusting deferred revenue, (2) recording depreciation expense, (3) adjusting the accrued vacation to actual, and (4) recognizing principal paid on the notes payable.

Recommendation: Although we feel that TEACH's personnel has the skills to review the financial stmts carefully, fully understand them, and take responsibility for them, we still recmd that TEACH consider drafting the financial stmts on their own in the near future. We recmd that TEACH consider preparing and posting the closing entries prior to the start of the audit.

Status: These recommendations have not been fully implemented.

Response: TEACH concurs with the recommendation.

3) Participant Files from Even Start and Early Head Start programs:

some files were incomplete; missing family ID #'s and/or with no supporting docs.

Recommendation: keep copies of supporting docs.

Status: Recmd was implemented.

4) Account Reconciliations:

Review of accounts noted that the accounts receivable, accounts payable, fund balance, and grant revenue were not being reconciled and that there were numerous posting errors to these accounts, resulting in numerous journal entries to correct the accounts.

Recommendation: Reconcile accounts on a monthly basis to find and correct errors and ensure the accuracy of their accounting records.

Status: There was some improvement with the account reconciliations; however, the recommendation has not been fully implemented.

Response: TEACH will continue to work on improving their account reconciliations.

Are there any unresolved prior year findings related to OES grants? ☐ Yes ☒ No ☐ Not shown
If mentioned, was the Management Letter included with the report? ☒ Yes ☐ No ☐ N/A

CORRECTIVE ACTION PLAN		REPORT CLOSEOUT / TRACKING
Corrective Action Plan CAP needed? CAP included with report?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A to OES	All audit requirements met? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No List deficiencies / other notes:
CAP sufficient to resolve audit findings? CAP includes timeline for resolution?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No	
Follow-up actions to be taken:	<input type="checkbox"/> None <input type="checkbox"/> N/A <input type="checkbox"/> Request CAP <input type="checkbox"/> Request CAP revision <input type="checkbox"/> Other:	Follow-up action required: <input checked="" type="checkbox"/> None
Date entered into Audit Report Database: 12/23/08 By: RA		
Disposition of Report: <input type="checkbox"/> Discard report <input checked="" type="checkbox"/> Keep report until: 10/11 Type of media: <input checked="" type="checkbox"/> Paper <input type="checkbox"/> CD		

November 10, 2008

Board of Directors
Training Employment and
Community Help, Inc.
Alturas, California

In planning and performing our audit of the financial statements of Training Employment and Community Help, Inc. (TEACH) for the year ended June 30, 2008, we considered TEACH's internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

During our audit, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report dated November 10, 2008 on the financial statements of TEACH. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist TEACH in implementing the recommendations. Our comments are summarized as follows:

Current Year Observations

There were no current year observations.

Prior Year Observations

1) LIHEAP Participant Files

During our review of the LIHEAP participant files for eligibility, we noted that most of the eligibility forms did not have the reviewer's signature on the form. The participant's necessary documentation was contained in the file; however there was no indication that the documentation was reviewed by a responsible official.

Recommendation:

We recommended that TEACH require the reviewer to sign the eligibility forms to indicate that the necessary documentation was properly reviewed by a responsible official.

Status:

This recommendation has been implemented.

2) Communication of Internal Control Related Matters

Under the new auditing standards, Statements on Auditing Standards (SAS) 112, *Communicating Internal Control Related Matters Identified in an Audit*, we are required to communicate certain matters regarding internal controls:

- We drafted TEACH's financial statements with the assistance of management.
- We proposed material audit adjustments with the assistance of management. At year-end, there were typical closing entries that needed to be made such as (1) adjusting deferred revenue, (2) recording depreciation expense, (3) adjusting the accrued vacation to actual, and (4) recognizing principal paid on the notes payable.

Recommendation:

Although we feel that TEACH's personnel has the skills to review the financial statements carefully, fully understand them, and take responsibility for them, we still recommended that TEACH consider drafting the financial statements on their own in the near future.

We recommended that TEACH consider preparing and posting the aforementioned closing entries prior to the start of the audit.

Status:

These recommendations have not been fully implemented.

Response:

TEACH concurs with the recommendation.

3) Participant Files

During the course of our audit, we reviewed a sample of participant files from the Even Start and Early Head Start programs for compliance with eligibility requirements. As a result of our review, we noted that some of the participant files were incomplete; missing Family ID #'s and/or with no supporting documentation for income verification and/or date of births.

Recommendation:

Although it is not required by TEACH to keep copies of supporting documentation for all eligibility requirements, we highly recommended that TEACH attempt to obtain copies of the supporting documentation as reasonably possible to support the eligibility requirements. We also recommended TEACH establish procedures to ensure that all participant files are complete with intake forms that are properly signed by the participant and the reviewer and include all necessary supporting documentation.

Status:

This recommendation has been implemented.

4) Account Reconciliations

During our review of the balance sheet, revenue, and expense accounts, it was noted that the accounts, including accounts receivable, accounts payable, fund balance, and grant revenue, were not being reconciled and that there were numerous posting errors to these accounts. This resulted in the necessity of numerous journal entries to correct the accounts.

Recommendation:

We recommended that TEACH reconcile their accounts on a monthly basis to find and correct errors and ensure the accuracy of their accounting records.

Status:

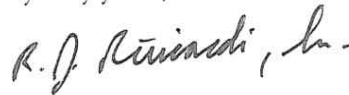
There was some improvement with the account reconciliations; however, this recommendation has not been fully implemented.

Response:

TEACH will continue to work on improving their account reconciliations.

This letter is furnished solely for the information of management of TEACH and is not intended to be and should not be used by anyone other than these specified parties. We shall be pleased to discuss with you any of the matters presented in this letter.

Very truly yours,



R.J. Ricciardi, Inc.
Certified Public Accountants

RJR:hp